

**FINANCIAL OVERSIGHT & MANAGEMENT BOARD
FOR PUERTO RICO**

Exhibit 1



David A. Skeel, Jr.
Chair

Members

Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty E. Rosa

Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

April 14, 2021

The Honorable Pedro Pierluisi Urrutia
Governor of Puerto Rico

The Honorable José Luis Dalmau Santiago
President of the Senate of Puerto Rico

The Honorable Rafael Hernández Montañez
Speaker of the House of Representatives of Puerto Rico

Dear Governor Pierluisi Urrutia, President Dalmau Santiago, and Speaker Hernández Montañez:

Pursuant to Section 202 of PROMESA and our letter to you dated April 1, 2021, we write concerning the Governor's Proposed Revised Budget, as such term is defined in the Resolution adopted by the Oversight Board on April 13, 2021, attached hereto as Exhibit A. Please refer to the attached Resolution for the determination of the Oversight Board on this matter.

The Oversight Board remains committed to working collaboratively with you for the benefit of the people of Puerto Rico.

Sincerely,

Natalie A. Jaresko
Natalie A. Jaresko

CC: Mr. Omar Marrero Diaz
Mr. Juan C. Blanco Urrutia

EXHIBIT A

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**

APRIL 13, 2021

**RESOLUTION REGARDING PROPOSED REVISION TO THE
COMMONWEALTH'S FISCAL YEAR 2020 BUDGET**

WHEREAS, on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") was enacted; and

WHEREAS, Section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the "Board"); and

WHEREAS, on June 30, 2020, the Board approved a fiscal year 2021 budget for the Commonwealth of Puerto Rico developed by the Board (the "Original Commonwealth Budget") as a revised, compliant budget that was submitted to the Governor and the Legislature pursuant to Sections 202(d)(2) and 202(e)(3) of PROMESA; and

WHEREAS, on March 26, 2021, pursuant to Section 202(c), the Governor submitted to the Board a revision to the Original Commonwealth Budget to cover the cost of the Congressional Delegation election pursuant to Law 167-2020 (the "Proposed Revised Budget"); and

WHEREAS, on March 31, 2021, the Board, after substantial deliberations, (1) determined, in its sole discretion, that the Proposed Revised Budget is a compliant budget as required by PROMESA Section 202(c)(1) and (2) approved the Proposed Revised Budget in accordance with PROMESA Section 202(c)(1)(A)(i); and

WHEREAS, on April 1, 2021, the Board submitted the Proposed Revised Budget to the Legislature as required by PROMESA Section 202(c)(1)(A)(ii); and

WHEREAS, on April 5, 2021, the Puerto Rico House of Representatives (the "P.R. House of Representatives," or the "P.R. House") filed a resolution known as House Joint Resolution No. 100 to provide funding of \$1,850,000 to the Puerto Rico State Elections Commission to finance the cost of the Congressional Delegation election provided for in Law 167-2020 ("HJR 100"); and

WHEREAS, on April 7, 2021, the Speaker of the P.R. House of Representatives informed the Board in a letter that HJR 100 was defeated during a legislative markup session vote and that the P.R. House of Representatives approved House Bill No. 21 ("HB 21"), which repeals Acts 165-2020 and 167-2020, and that HB 21 would be presented to the Governor; and

NOW, THEREFORE, IT IS HEREBY RESOLVED that, after substantial deliberations, the Board determines that the defeat of HJR 100 in a legislative committee session constitutes a rejection by the Legislature of the Proposed Revised Budget; and

IT IS FURTHER RESOLVED that, the Board determines the Governor and the Legislature are at an impasse concerning the appropriation of funds to cover the cost of the Congressional Delegation election pursuant to Law 167-2020, based on the Legislature's rejection of the Proposed Revised Budget and the P.R. House of Representatives' approval of HB 21; and

IT IS HEREBY FURTHER RESOLVED that, the Board determines that, in this circumstance, Section 402 of PROMESA constrains it from adopting an interpretation of PROMESA that may restrict determination of Puerto Rico's future political status as impacted by the Proposed Revised Budget given that (i) Act 167-2020 appears to relate to issues involving Puerto Rico's future political status, (ii) the Governor and the Legislature have a fundamental political disagreement concerning funding for Law 167-2020, and (iii) the Board desires to allow the Commonwealth government to adopt or not to adopt the Proposed Revised Budget the same as would occur absent PROMESA; and

IT IS HEREBY FURTHER RESOLVED that, as a result, the Board determines, in its sole discretion pursuant to PROMESA Section 202(e)(3), that the Original Commonwealth Budget will remain in effect without revision.